

COUNCIL MEETING

JUNE 1, 2016

The Council Meeting of the Council of the County of Kaua'i was called to order by Council Vice Chair Ross Kagawa at the Council Chambers, 4396 Rice Street, Suite 201, Lihu'e, Kaua'i, on Wednesday, June 1, 2016 at 9:12 a.m., after which the following Members answered the call of the roll:

Honorable Mason K. Chock
Honorable Gary L. Hooser
Honorable Ross Kagawa
Honorable Arryl Kaneshiro
Honorable KipuKai Kualii
Honorable JoAnn A. Yukimura

Excused: Honorable Mel Rapozo

APPROVAL OF AGENDA.

Councilmember Kaneshiro moved for approval of the agenda as circulated, seconded by Councilmember Kualii, and carried by a vote of 6:0:1 (*Council Chair Rapozo was excused*).

CONSENT CALENDAR:

C 2016-126 Communication (05/06/2016) from the Mayor, submitting his Supplemental Budget Communication for Fiscal Year 2016-2017 and Proposed Amendments to the Budget Bills, pursuant to Section 19.02A of the Kaua'i County Charter: Councilmember Kualii moved to receive C 2016-126 for the record, seconded by Councilmember Kaneshiro, and carried by a vote of 6:0:1 (*Council Chair Rapozo was excused*).

C 2016-130 Communication (05/12/2016) from the Acting County Engineer, transmitting for Council consideration, a Resolution Authorizing The Mayor Or The Director Of Finance Of The County Of Kaua'i To Enter Into An Intergovernmental Agreement With The State Of Hawai'i, Department Of Health For A Loan From The State Water Pollution Control Revolving Fund For The 'Ele'ele Wastewater Treatment Plant Improvements, Project No. C150050-11, for additional funding necessary to complete the project: Councilmember Kualii moved to receive C 2016-130 for the record, seconded by Councilmember Kaneshiro, and carried by a vote of 6:0:1 (*Council Chair Rapozo was excused*).

C 2016-131 Communication (05/16/2016) from the Director of Finance, transmitting for Council information, the Period 10 Financial Reports – Detailed Budget Report, Statement of Revenues (Estimated and Actual), Statement of Expenditures and Encumbrances, and Revenue Report as of April 30, 2016, pursuant to Section 21 of Ordinance No. B-2015-796, relating to the Operating Budget of the County of Kaua'i for the Fiscal Year 2015-2016: Councilmember

Kuali'i moved to receive C 2016-131 for the record, seconded by Councilmember Kaneshiro, and carried by a vote of 6:0:1 (*Council Chair Rapozo was excused*).

JADE K. FOUNTAIN-TANIGAWA, County Clerk: Vice Chair, we are on communications. For the first four (4) items, the Council will need to convene into Executive Session first. Did you want to take the items after that?

Council Vice Chair Kagawa: Yes.

Ms. Fountain-Tanigawa: Okay, we are on item number 5.

There being no objections, C 2016-136 was taken out of order.

COMMUNICATIONS:

C 2016-136 Communication (05/13/2016) from the Housing Director, requesting Council approval to apply for, receive, and expend \$1,425,000.00 in National Housing Trust Fund (HTF) funds to be made available by the Hawai'i Housing Finance and Development Corporation (HHFDC), and to indemnify HHFDC, the funding will be used to provide grants to increase and preserve the supply of decent, safe, and sanitary affordable housing for primarily extremely low-income (30% of area median income) households: Councilmember Kuali'i moved to approve C 2016-136, seconded by Councilmember Kaneshiro.

Council Vice Chair Kagawa: Is there any discussion? Any questions for the Housing Agency? We have Gary Mackler here. None? Anyone from the public wishing to speak on this? The rules are suspended.

There being no objections, the rules were suspended to take public testimony.

NORMA DOCTOR SPARKS: Good morning. Norma Doctor Sparks, for the record. I support this request; however, as we have continued to talk about affordable housing, one (1) of the issues I would like to bring up is that we should also look at the ordinances in Kaua'i about how and what happens to low-income housing. I believe that there were two (2) recent requests to just allow owners of affordable units to sell at market price. I think we should also look at how Maui has chosen to restrict the sales price instead of applying a buyback restriction, which Kaua'i has. I know that Kaua'i County does not have the dollars to buy back these units, but perhaps to look at requiring a restriction to these units for twenty-five (25) years instead of just ten (10) years. Also, in the deed there should be a requirement that the homes' prices may be increased upon resale by only twenty-five percent (25%). When these units are received, the first owners receive a huge, large bonus from price appreciation. These families buy at subsidized prices and sell at market prices a short time after. They get a windfall and the unit is no longer affordable to the original target group. I think that when the Housing Agency receives these funds, they should also look at how they will, within the County, preserve and maintain affordable housing for this very needy group of families on Kaua'i. Thank you very much.

Council Vice Chair Kagawa: Thank you. Anybody else from the public wishing to speak on this? Seeing none, I will call the meeting back to order.

There being no further testimony, the meeting was called back to order, and proceeded as follows:

Council Vice Chair Kagawa: Any discussion? None? Councilmember Yukimura.

Councilmember Yukimura: I have a question for Gary Mackler.

Council Vice Chair Kagawa: Okay. The rules are suspended.

There being no objections, the rules were suspended.

GARY MACKLER, Housing Development Coordinator: Good morning. For the record, Gary Mackler, Housing Development Coordinator.

Councilmember Yukimura: Good morning, Gary. So is this the HOME Investment Partnerships Program (HOME) moneys?

Mr. Mackler: No. Actually, the National Housing Trust Fund (HTF) is the United States Department of Housing and Urban Development's (HUD's) newest affordable housing program. It was actually authorized under the Housing and Economic Recovery Act of 2008, but was not funded until this year for the first time. The funding is through government-sponsored enterprises like Fannie Mae and Freddie Mac. It is not through congressional appropriation, so this is the first year that they have been able to bring the funding to the program. The program has similarity to the HOME program. Its platform really is the HOME program with some distinctions. The minimum affordability period for a Housing Trust Fund assisted unit is thirty (30) years, but when it is used in combination with other funding like the low-income housing tax credit program, it is typically sixty-five (65) years now. So we are asking for your approval to allow us to apply, receive, expend, and indemnify for the Housing Trust Fund, this funding made available through the State, and we are in-line to receive the first year's allocation or at least fifty percent (50%) of that because the State is splitting this allocation each year with the City and County of Honolulu and one of the outer island counties. I think I have shared with you that we are on a rotation for the HOME program and the same rotation will be used for the Housing Trust Fund so that when we are in-line to receive HOME, we will also have this additional resource through the Housing Trust Fund, which we can make available for future affordable rental housing projects.

Councilmember Yukimura: So the one million four hundred thousand dollars (\$1,400,000) is...does the fifty percent (50%) go to a neighbor island?

Mr. Mackler: Yes, the way the allocation works is the minimum that HUD will provide to each state is three million dollars (\$3,000,000). The State will utilize fifty percent (50%) of the administrative fund, so they take five percent (5%) off of the three million dollars (\$3,000,000), and then we split the balance with the City and County of Honolulu.

Councilmember Yukimura: Okay. Does the Housing Agency have specific plans for how this money will be used?

Mr. Mackler: We are required by the State to issue an application to invite eligible applicants to apply for the use of the HTF money. I do not really want to name specific projects, but I can think of two (2), possibly three (3), eligible projects that could apply for the Housing Trust Fund. Our plan is, assuming we are given the approval by this Council, is to issue the application in the month of June. It is prepared and it has been reviewed by the staff at the Hawai'i Housing Finance and Development Corporation (HHFDC), so we are actually ready to issue out the application once we have your approval. We will know within thirty (30) to forty-five (45) days who the applicants are. I do want to point out just to let you know that individuals are not eligible applicants. The eligible applicants are the County, as a public agency, for-profit, and nonprofit housing developers.

Councilmember Yukimura: So are we applying for these moneys?

Mr. Mackler: Well, because it is a new grant program, we wanted to come to the Council to formally apply for this grant and seek your approval for indemnification of the State. The State actually has submitted its allocation plan to HUD and it has been conditionally approved to make the funding available fifty percent (50%) to the City and County of Honolulu and fifty percent (50%) to each outer island county. That has also been approved by the HHFDC Board of Directors. We are not submitting or preparing an application to the State, but we are utilizing an application to seek eligible projects for the expenditure of the funds.

Councilmember Yukimura: Okay. Are you going to select the project for which to use those funds before or after you apply?

Mr. Mackler: After this Council's approval, we are allowed to issue the application. We anticipate that HUD and the State will be signing their grant agreements in the summer this year and we will have a few additional things to do administratively once we have a project identified for the Housing Trust Fund funding and we are looking to have that funding secured under agreement with our recipient later in the year. Once the State signs its grant agreement with HUD, they are allowed two (2) years to commit funds to a project; however, HUD is really pushing hard to get projects identified. They would actually like their projects identified in June of this year, which we are not going to make, but I think July is realistic for us.

Councilmember Yukimura: Does this project have to qualify with HUD's guidelines for housing projects?

Mr. Mackler: I am not sure if I completely understand that question.

Councilmember Yukimura: My understanding is that there is a three-way agreement between HUD, the Department of Transportation (DOT), and the Environmental Protection Agency (EPA); the three (3) federal agencies, for

funding Smart Growth projects, and HUD does not fund projects that do not meet the Smart Growth criteria. That is my general understanding. I am not sure exactly how it is applied.

Mr. Mackler: No, I do not think it is tied to that. The State has provided us with evaluation criteria that they want us to use in evaluating projects for eligibility for this grant.

Councilmember Yukimura: So it is state criteria, rather than federal?

Mr. Mackler: Yes.

Councilmember Yukimura: Okay. Could you make that evaluation criteria available?

Mr. Mackler: Yes, I can. In fact, they will be provided as part of the application that we are issuing when we issue. It will be part of that document.

Councilmember Yukimura: Okay. So this will be mainly a Housing Agency decision as to which project it would go to?

Mr. Mackler: Yes. Again, it is for rental housing, specifically, and it is also a deeper-targeted program. I do want to mention that it is for extremely low-income households, households defined as thirty percent (30%) and below the Kaua'i Median Income. It is really difficult to finance projects that can offer units to extremely low-income just because of the pro forma and the reduced rent revenue; however, this will give us an opportunity to make some units available, especially for families who are trying to transition from homelessness into permanent housing. I think it will add some benefit in that regard.

Councilmember Yukimura: I was just going to say that I saw that connection when you mentioned very low-income.

Mr. Mackler: Yes.

Councilmember Yukimura: Okay. That is very good. Thank you.

Mr. Mackler: Thank you.

Council Vice Chair Kagawa: Further questions? Seeing none, thank you. I will call the meeting back to order. Further discussion? Councilmember Yukimura.

There being no objections, the meeting was called back to order, and proceeded as follows:

Councilmember Yukimura: I just want to thank the Housing Agency for pursuing a grant like this, as we know moneys for affordable housing are not plentiful and the cost of building housing is great. So to have this money and then to have it targeted for the extremely low-income and give some possibility for

addressing homelessness is really important, too. This is a very good program that I am happy to vote for.

Council Vice Chair Kagawa: Further discussion?

The motion to approve C 2016-136 was then put, and carried by a vote of 6:0:1 (*Council Chair Rapozo was noted as excused*).

C 2016-137 Communication (05/23/2016) from Councilmember Kaneshiro, transmitting for Council consideration, proposed amendments to Chapter 8, Kauai County Code 1987, as amended, to allow for the construction and development of multiple family dwellings in all residential zoning districts: Councilmember Kaneshiro moved to receive C 2016-137 for the record, seconded by Councilmember Kualii.

Council Vice Chair Kagawa: Any discussion? Councilmember Chock.

Councilmember Chock: Are we going to be discussing this later or would you want to have the discussion now?

Council Vice Chair Kagawa: We can have the discussion when the Bill comes up.

Councilmember Chock: Okay. Thank you.

Council Vice Chair Kagawa: Any further discussion? Anyone from the public wishing to speak on this? My preference is to discuss this when the Bill comes up.

The motion to receive C 2016-137 for the record was then put, and carried by a vote of 6:0:1 (*Council Chair Rapozo was excused*).

COMMITTEE REPORTS:

PLANNING COMMITTEE:

A report (No. CR-PL 2016-05) submitted by the Planning Committee, recommending that the following be Approved as Amended on second and final reading:

“Bill No. 2627 – A BILL FOR AN ORDINANCE TO AMEND CHAPTER 10, KAUAI COUNTY CODE 1987, AS AMENDED, BY ADDING A NEW ARTICLE 5B, RELATING TO THE LIHUE PLANNING DISTRICT (*County of Kauai, Applicant*),”

Councilmember Kualii moved for approval of the report, seconded by Councilmember Kaneshiro, and carried by a vote of 6:0:1 (*Council Chair Rapozo was noted as excused*).

BUDGET & FINANCE COMMITTEE:

A report (No. CR-BF 2016-15) submitted by the Budget & Finance Committee, recommending that the following be Received for the Record:

“BF 2016-08 – Communication (05/17/2016) from Budget & Finance Committee Chair Kaneshiro, transmitting the proposed increases to, deductions from, and other proposed amendments (plus/minus sheet) to the Mayor’s Fiscal Year 2016-2017 Annual Operating and Capital Improvement Projects Budgets,”

Councilmember Kualii moved for approval of the report, seconded by Councilmember Yukimura, and carried by a vote of 6:0:1 (*Council Chair Rapozo was noted as excused*).

A report (No. CR-BF 2016-16) submitted by the Budget & Finance Committee, recommending that the following be Approved on second and final reading:

“Resolution No. 2016-35 – RESOLUTION ESTABLISHING THE REAL PROPERTY TAX RATES FOR THE FISCAL YEAR JULY 1, 2016 TO JUNE 30, 2017 FOR THE COUNTY OF KAUAI,”

Councilmember Kualii moved for approval of the report, seconded by Councilmember Yukimura, and carried by a vote of 6:0:1 (*Council Chair Rapozo was noted as excused*).

A report (No. CR-BF 2016-17) submitted by the Budget & Finance Committee, recommending that the following be Approved as Amended on second and final reading:

“Bill No. 2625 – A BILL FOR AN ORDINANCE RELATING TO THE OPERATING BUDGET AND FINANCING THEREOF FOR THE FISCAL YEAR JULY 1, 2016 TO JUNE 30, 2017 (*Fiscal Year 2016-2017 Operating Budget*),”

Councilmember Kualii moved for approval of the report, seconded by Councilmember Yukimura, and carried by a vote of 6:0:1 (*Council Chair Rapozo was noted as excused*).

A report (No. CR-BF 2016-18) submitted by the Budget & Finance Committee, recommending that the following be Approved as Amended on second and final reading:

“Bill No. 2626 – A BILL FOR AN ORDINANCE RELATING TO CAPITAL IMPROVEMENTS AND FINANCING THEREOF FOR THE FISCAL YEAR JULY 1, 2016 TO JUNE 30, 2017 (*Fiscal Year 2016-2017 CIP Budget*),”

Councilmember Kualii moved for approval of the report, seconded by Councilmember Yukimura, and carried by a vote of 6:0:1 (*Council Chair Rapozo was noted as excused*).

Council Vice Chair Kagawa: Thank you. Next item.

RESOLUTIONS:

Resolution No. 2016-35 – RESOLUTION ESTABLISHING THE REAL PROPERTY TAX RATES FOR THE FISCAL YEAR JULY 1, 2016 TO JUNE 30, 2017 FOR THE COUNTY OF KAUAI: Councilmember Yukimura moved for adoption of Resolution No. 2016-35, seconded by Councilmember Kualii, and carried by the following vote:

FOR ADOPTION:	Chock, Hooser, Kagawa, Kaneshiro, Kualii, Yukimura	TOTAL – 6,
AGAINST ADOPTION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	Rapozo	TOTAL – 1,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Resolution No. 2016-47 – RESOLUTION AUTHORIZING THE MAYOR OR THE DIRECTOR OF FINANCE OF THE COUNTY OF KAUAI TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE STATE OF HAWAII, DEPARTMENT OF HEALTH FOR A LOAN FROM THE STATE WATER POLLUTION CONTROL REVOLVING FUND FOR THE ‘ELE‘ELE WASTEWATER TREATMENT PLANT IMPROVEMENTS, PROJECT NO. C150050-11: Councilmember Kualii moved for adoption of Resolution No. 2016-47, seconded by Councilmember Kaneshiro.

Council Vice Chair Kagawa: Do we have any questions for the Department of Public Works? They are on the way if we need them. None? Anyone from the public wishing to speak on this matter? Any further discussion? If not, I just want to say that this is definitely a “no-brainer.” Anytime we can improve our sewers...this one involves the ‘Ele‘ele Wastewater Treatment Plant and we definitely want to seek any loan or any kind of financial help that we can get from outside government agencies and this one comes from the State, so I am very supportive. Roll call.

The motion for adoption of Resolution No. 2016-47 was then put, and carried by the following vote:

FOR ADOPTION:	Chock, Hooser, Kagawa, Kaneshiro, Kualii, Yukimura	TOTAL – 6,
AGAINST ADOPTION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	Rapozo	TOTAL – 1,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Council Vice Chair Kagawa: Thank you. Next item.

BILL FOR FIRST READING:

Proposed Draft Bill (No. 2634) – A BILL FOR AN ORDINANCE TO AMEND CHAPTER 8, KAUAI COUNTY CODE 1987, AS AMENDED, TO ALLOW MULTIPLE FAMILY DWELLING UNITS IN ALL RESIDENTIAL ZONING DISTRICTS (*Kauai County Council, Applicant*): Councilmember Kaneshiro moved for passage of Proposed Draft Bill (No. 2634) on first reading, seconded by Councilmember Kualii.

Council Vice Chair Kagawa: Councilmember Kaneshiro.

Councilmember Kaneshiro: I have an amendment and it is just a housekeeping item.

Councilmember Kaneshiro moved to amend Proposed Draft Bill (No. 2634) as circulated, and as shown in the Floor Amendment, which is attached hereto as Attachment 1, seconded by Councilmember Chock.

Council Vice Chair Kagawa: Would you like to explain your amendment?

Councilmember Kaneshiro: It is just a housekeeping amendment. If it gets approved, then I will just go through and read the purpose section and we can discuss it then if you folks are okay with that.

Council Vice Chair Kagawa: Any discussion on the amendment? Anybody from the public wishing to speak on the amendment? Go ahead. Peter has the amendment if you need to see it. We will be discussing the Bill afterwards. Seeing none, let us vote on the amendment.

The motion to amend Proposed Draft Bill (No. 2634) as circulated, and as shown in the Floor Amendment, which is attached hereto as Attachment 1 was then put, and carried by a vote of 6:0:1 (*Council Chair Rapozo was excused*).

Council Vice Chair Kagawa: We are back to the main motion. Any public testimony? You may come up.

There being no objections, the rules were suspended.

GLENN MICKENS: For the record, Glenn Mickens. I completely agree that we badly need low-income housing, but is it going to be up to the contractors? I mean, the people are going to build these things. Is that not one of the problems that they have not been able to make enough money to go out and build these units? That seems to be a problem, but have we addressed that problem? Like any private business, you have to be able to make money or you are not going to be able to survive, obviously. For these contractors to be able to come along and do this sounds great because we need low-income housing. Where is the subsidizing going to come from? Somebody is going to have to subsidize these units to get contracts coming into it. Anyway, this is my basic question. I do not know what the answer is, but I hope you folks have it. Thank you.

Council Vice Chair Kagawa: Anybody else wishing to speak on this? Seeing none, I want to call the meeting back to order.

There being no further testimony, the meeting was called back to order, and proceeded as follows:

Council Vice Chair Kagawa: Any discussion, Members? I guess my understanding is that we are going refer this to the Planning Commission for their take on whether they support it or not, or wish to amend it. We have a lot more time for answers and discussion on this matter. Councilmember Kaneshiro.

Councilmember Kaneshiro: Without having to read it, just in general, this is not a solution to all of our housing problems and this is not a solution to affordable housing. This is basically just trying to allow for opportunity. Currently, if you have a lot that was created after 1980 and you had an R-1 through R-6 zoning, you could not build a multifamily dwelling on it, which are two (2) dwellings that are connected to each other. You would have to build two (2) separate units. Basically, what this does is it allows it and gives an owner the opportunity to build a multiunit dwelling, or if they want, they can still do two (2) separate units. It is up to them. If the cost is there where they say it is cheaper for them to build the dwellings together and they save on the cost of building two (2) separate units, then they can do it. If not, they do not need to. There are also instances where a unit would have a R-6 zoning on one (1) acre, but the owner is not able to build the six (6) units because of setbacks and lot coverage, so you lose a unit. This is not creating more density; it is just saying that you can build a multifamily dwelling if you want to. It gives people the opportunity to. In the past, for R-1 and R-2, you could not do it. If you wanted to build three (3) units or more, you would have to go through a use permit. Again, it was only for lots prior to 1980. Any lot after 1980, you absolutely could not build a multifamily dwelling unit on your property. Again, if you have the zoning for two (2) units, it just gives you the option of building a multifamily unit or two (2) separate units. That is it. It is just providing the opportunity.

Council Vice Chair Kagawa: Councilmember Yukimura.

Councilmember Yukimura: I want to thank you, Councilmember Kaneshiro, for taking the initiative on this. I just need some clarification. What you are saying is this only would apply to R-6 and below?

Councilmember Kaneshiro: Correct, because with R-10 through R-20, it is already permitted.

Councilmember Yukimura: Okay. It basically gives flexibility to the form of the buildings and it does not change the density. Though, it might allow them to build to the full density, because right now as you said with setbacks, it sometimes is not possible to get to the full density that is allowed to the property.

Councilmember Kaneshiro: Correct. It is just allowing flexibility and opportunity. We can only do so much for housing. If we wanted to, we could take money from the General Fund and dump a whole bunch of money into housing, but I do not think that is the best use of taxpayers' dollars. As a Council, all we can do

is try and adjust our policies and just provide for the opportunity. We cannot force people to build houses.

Councilmember Yukimura: Right.

Councilmember Kaneshiro: This is just allowing the flexibility.

Councilmember Yukimura: So right now, are duplexes not allowed in this area of zoning?

Councilmember Kaneshiro: For lots that were prepared after 1980, duplexes are not allowed.

Councilmember Yukimura: Really?

Councilmember Kaneshiro: Yes.

Councilmember Yukimura: I was not aware of that.

Councilmember Kaneshiro: If it was prior to 1980, you could do it with a use permit.

Councilmember Yukimura: That seems unduly restrictive. So what you are doing is removing that restriction?

Councilmember Kaneshiro: Correct.

Councilmember Yukimura: Okay. Thank you very much.

Council Vice Chair Kagawa: Councilmember Hooser.

Councilmember Hooser: I have questions for the introducer. How would this impact a single lot of four hundred (400) acres zoned R-4? Does that mean all of those densities could be put into multifamily homes, like a condominium complex?

Councilmember Kaneshiro: A single lot?

Councilmember Hooser: Yes, because there are lots around here that have several hundred acres that are zoned R-4 and this would impact those, correct?

Councilmember Kaneshiro: It is not adding density. They would be allowed to do a multifamily unit.

Councilmember Hooser: Let us say that lot was permitted to two hundred (200) homes. Would those two hundred (200) homes be able to be clustered on one side of the property in a multifamily unit together?

Councilmember Kaneshiro: Yes.

Councilmember Hooser: So not just duplexes, but it could be a two hundred (200) unit, Kalapakī Villas?

Councilmember Kaneshiro: It was only R-1 through R-6, so I was thinking about smaller properties. I was not thinking about a four hundred (400) acre property, but I would think you are limited to how many units you can build per acre. I am not exactly sure. They could probably cluster it per acre, but I do not know if you could move all of your density into one (1) lot.

Councilmember Hooser: Those would be important concerns to figure out. I applaud you for thinking about how we can make it easier to make affordable housing. My other question would be that it would seem...I know the Planning Commission is going to work on this, but the affordable housing or the housing for local residents that I think most of us all want to impact are located in certain areas and not located in other areas. For example, Princeville or Po'ipū-Kōloa—the use of this might not necessarily generate more affordable or more homes for local people, but it might facilitate the development of more high-end industrials because the same benefits apply. Part of the reason I am bringing this up is because I wanted to be on the record so hopefully the Planning Commission will think about this, too, is possibly restricting it or limiting it to either certain geographical areas like Līhu'e and/or homes designated toward affordable or local residents. For everything we do here, we think about unintended consequences. Some of the premises in the “purpose” clauses read, “The primary market for multiple family dwelling units within the residential zoning districts is the local and workforce population...” is not entirely accurate, I do not think, if you look at the whole island. I think most multifamily homes here are now in the south and north shore, and those are, to a larger extent, visitor kind of areas. I am more than happy to work on this and support it if you can find a way to make sure that it is narrowly focused on homes for local residents. Thank you.

Councilmember Kaneshiro: Yes, we cannot discriminate what type of homes people are going to build, but I do not see people speculating and bumping up the price on a multifamily dwelling unit. I would think that people would be spending the big bucks on a single unit all to themselves on a bigger piece of property, but again, I am not a realtor, so I do not know what the price points would be a multifamily dwelling unit where two (2) families need to live next to each other. If you look at affordability and housing and the steps people take; for example, if you look at the mainland where a lot of people rent, they will save enough money, and then they move into their own home—this is just providing opportunity. If a family wanted to house their kids in the unit next door to let the kids save up money; it is just an opportunity. It is not a “solve all” solution. It is not going to provide affordable housing. I mean, it could if somebody builds it and they rent it out at an affordable rate, then it would be an affordable rental unit, but who knows? We cannot dictate what they are going to do with their second unit. They may want to leave it to a family member or may want to do something else. We are basically just making it more flexible.

Councilmember Hooser: Actually, if I may respond, I think we can dictate since we are writing the law, but I agree that it is not good to discriminate. We certainly can design the law that would maximize the impact and benefits to the

local residents and minimize the benefits to speculators. I think that would be my intent. Thank you.

Council Vice Chair Kagawa: I have a follow-up. I heard you mention that you could do this prior to 1980 and I was wondering if you knew what was the reason that in 1980 the Council, Planning Commission, or whoever changed it. Was it to try and maintain the rural character of the neighborhoods? What was the primary reason why in 1980 they changed it and took out duplexes?

Councilmember Kaneshiro: I believe the reason was to maintain a rural-looking setting. I do not know what the housing market was like at that time in 1980, but again, you hear all the time when we are out in the public that housing is a critical need. Doing this is not going to say everybody is going to go through and just start doing it. You need the zoning. It is not adding anymore density. It is just providing an option to the people.

Council Vice Chair Kagawa: Councilmember Chock.

Councilmember Chock: I just wanted to thank Councilmember Kaneshiro. I think the housing crisis is something that we have to continue to look at and I think this does open up the possibility for us to seek out at least some alternative solutions. I am happy that it is going to the Planning Commission. I just wanted to make sure that some of the things that be addressed are...I guess I heard earlier about unintended consequences or implications, particularly in those speculative situations, because there are certain areas that I think we have seen that occur on our island. I am supportive of it. I was thinking just for the sake of conversation, we are talking about how to maybe limit these big mansions, but maybe there are through permits or dis-incentivizing those permits by larger fees for five thousand (5,000) square feet lots or homes. It is just something that I think maybe we should be thinking about in terms of what we can do on the County side to try and encourage the kind of housing that we want, which is more affordable and we will get more of our local residents into homes. Thank you.

Councilmember Kaneshiro: I am under the impression that any additional unit that is being built that is rented out or that somebody else is going to buy is an additional unit that is available for somebody else. If you are living on an island and you have an additional unit, somebody moves into it and it opens up other housing for someone else. If somebody moves from the mainland into it, that is an additional house that would have not been there anyways. It is just trying to affect the supply. That is it.

Council Vice Chair Kagawa: Councilmember Yukimura.

Councilmember Yukimura: However, if it is used as a second home, it is not really meeting our primary purpose. Those are the things that we have to think about. As I said in the beginning, I think this is a good effort and we need to really put it through the vetting process with sending it to the Planning Commission, and then back here. Councilmember Kaneshiro, I recall you mentioning something about not affecting the character of the neighborhood. Is there any language that says that in this Bill or is it assumed that this would...I thought that there was

something that it would be allowed, as long as it does not affect the character of the neighborhood, but there is no language at this point.

Councilmember Kaneshiro: Yes, there is no language in that. We are basically looking at what is allowable to build on a unit. I do not know if we specify what a house can look like on that unit. Basically, it is just allowing the developer or somebody who wants to do a multifamily unit on their lot the opportunity. I did not look into "what should a multifamily dwelling unit look like?" From what I have heard, in past they did it because they thought it would affect the rural character of the island. Again, we do not know what the housing market was like then. We know that we have a housing need now. It is not going add new houses; it is just going to allow flexibility for someone if they want to build two (2) separate units or if they want to build a multifamily unit.

Councilmember Yukimura: The whole basis of form-based code, which we are starting to adopt, is to define the character of a place and to make sure that buildings are according to the character of the place. So there is a way to measure that and it is coming up, but it does get more complicated because you have to go through the process of developing form-based code for that particular area. I just want to say that in 1980, if I remember correctly, there was a United Airlines strike and there were rentals for three hundred dollars (\$300) in Princeville for a jacuzzi and oceanfront, because all of a sudden, all the visitor units became long-term rentals. That is what happens with supply and demand based on the tourism fluctuation. But that was long ago and now we know that housing is at a total premium, so we need to do whatever we can to make affordable housing available. Thank you.

Council Vice Chair Kagawa: Any more questions for the introducer? Seeing none, we are going to open it up for public testimony. Anybody from the public wishing to speak? No? This is only the first reading. Again, it is going to go to the Planning Commission and we will probably get a recommendation from the Planning Commission in one (1) month or so. We will then send it to a public hearing, and then it will go to the Committee where we will probably do all of the work on it and propose any amendments, if any are needed. Further discussion, Members? I will call the meeting back to order. Councilmember Hooser.

There being no objections, the meeting was called back to order, and proceeded as follows:

Councilmember Hooser: I have another question for the introducer. I am assuming you have spoken to the Planning Director and the Planning Department. What are their thoughts on this?

Councilmember Kaneshiro: I think they are open to it. A lot of times, they have come up and said that they are looking for more supply to kind of level out the demand for housing. Again, there is no "golden egg ticket" to us being able to reduce the price; it is just us providing the opportunity.

Councilmember Kaneshiro moved to refer Proposed Draft Bill (No. 2634) to the Planning Commission, seconded by Councilmember Chock.

Council Vice Chair Kagawa: Further discussion, Members? It was very interesting. I would say maybe about ten (10) years ago, I visited a friend's home on 7th Avenue, I believe, which is on Waialae and is a very expensive place in Kaimukī. It is easy access and minimal traffic to downtown, the private schools, and the University of Hawai'i at Mānoa. They had a beautiful place that they just bought and it was over one million dollars (\$1,000,000) at that time. It was a duplex, so they had a beautiful house on the front portion and the back portion was owned by another resident, all covered under one (1) roof, so it looked like one (1) big house from the outside. That is one example of, do we want to encourage that, and then does that fit our affordable housing? That is definitely not an affordable house. Does it look terrible? No, it looks great. Like Councilmember Yukimura and Councilmember Hooser mentioned, we need to make sure that we vet it properly and take our time because we do not want to copy Honolulu too much, because they have well over one million (1,000,000) people, more congestion, and more density issues. We want to keep our rural character, yet we want to solve some of the problems that we have. I want to thank Councilmember Kaneshiro. It is easy to just lay back and say, "We will sit back and wait a while until we are more certain," but I think the time is never going to be right. In 1980, they changed it and it is about time that we look at whether there is a real solution out there that could provide some of the gaps. Will one hundred percent (100%) provide all gaps and nobody will use it to speculate? I would say probably not. Even if we hit fifty percent (50%), is that success? Those are the things that we have to gauge and it is hard to say what the percentages will be. What we can do is do the due diligence, ask the questions, and let the public help us and guide us and provide us with any amendments, if we can, to strengthen the Bill. With that, any further discussion, Members? Seeing none, roll call.

The motion to refer Proposed Draft Bill (No. 2634) to the Planning Commission was then put, and carried by the following vote:

FOR REFERRAL:	Chock, Hooser, Kagawa, Kaneshiro, Kuali'i, Yukimura	TOTAL – 6,
AGAINST REFERRAL:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	Rapoza	TOTAL – 1,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Council Vice Chair Kagawa: If we can, can we go to the third item on the "Bills For Second Reading" portion?

There being no objections, Bill No. 2627, Draft 1, was taken out of order.

BILLS FOR SECOND READING:

Bill No. 2627, Draft 1 – A BILL FOR AN ORDINANCE TO AMEND CHAPTER 10, KAUAI COUNTY CODE 1987, AS AMENDED, BY ADDING A NEW ARTICLE 5B, RELATING TO THE LIHUE PLANNING DISTRICT (*County of Kaua'i, Applicant*): Councilmember Kuali'i moved for adoption of Bill No. 2627, Draft 1, on second and final reading, and that it be transmitted to the Mayor for his approval, seconded by Councilmember Yukimura.

Council Vice Chair Kagawa: What I was going to ask was if Members would be open to deferring it just for two (2) weeks. I have some questions that were not asked at the Committee Meeting last week and it would help me make my decision if I got these answers and I do not foresee the Planning Department having all of the answers. I even read the Committee Report and watched the telecast as well, but I saw that some of questions regarding the plans for how they are going to treat the additional home that they are now going to recognize as far as if it is going to be an additional bill for the water hook-up or is it going to be separate bills. The Planning Department's response was that they were going to check, and "going to check" is not an answer. I would like to be clear as to how are we going to treat these. A lot of my discussions with the Planning Department is that this Bill will cover possibly up to four hundred (400) to five hundred (500) homes, primarily in the Hanamā'ulu area that have basically been added to illegally, such as kitchens, et cetera, and they have circumvented the permitting and inspection process. For a lot of them, they do serve a good purpose, which is to house residents and families. Other than that, what would you be? Homeless? A lot of these are good intentions, but now if we pass this ordinance, we are going to make them all become legal and we need to know some of the answers to this water issue and other issues. Are we going to look at possible back taxes or not? Is this going to not discourage people from coming forward to say, "I do have this addition," and then what is the sense of doing (inaudible) if nobody is going to come forward. We are trying to help the Planning Department fix their problem. This Bill is not for us. If the Planning Department would properly go out and enforce our current building codes on these people that have violations, then we would not be having this Bill before us. I think the amount is so overwhelming that the Planning Department has found a solution and I want to be supportive of finding a solution if the solution of handling it one-by-one is just too overwhelming. Members, if two (2) weeks would be good for you, I would really appreciate it. I would like to see Council Chair Rapozo voice his vote on this matter. I do not see a unanimous vote, not to say that there are not good points to both sides of this issue. Councilmember Hooser.

Councilmember Hooser: I have no objection to a two (2) week deferral. I think as I have said before, good people can look at the same thing and come to different conclusions. As a person who, along with Councilmember Chock, started this whole conversation with the Bill, and we brought in the Administration, I wanted to be clear that the situation of illegal rentals in Hanamā'ulu or anywhere else was not the impetus for the Bill. The impetus for the Bill was to create new opportunities to build affordable rental housing in Līhu'e, and because the Līhu'e Community Plan calls for increased density and because we have such a tremendous need for that, that was why this Bill was proposed. The Hanamā'ulu illegal rentals is a secondary issue and not the primary issue. I want to be very clear on that. That issue is what that issue is. Those units are there. It is my understanding that this would allow them an opportunity to come forward to get their proper permits, but it does not require anyone. So actually, the status quo is the status quo. If there are illegal units there, the illegal units are there. This would provide an opportunity for them, but the units are not going to go away. The primary purpose of this measure was to create additional units, not to fix that problem. I just wanted to be clear on that because Councilmember Chock and I were the people who originally brought this to the table, and that is the purpose. Thank you.

Council Vice Chair Kagawa: Further discussion. Councilmember Yukimura.

Councilmember Yukimura: I do not have an objection. This Bill has the real value, as Councilmember Hooser pointed out, of potentially creating more affordable units. I was a little bit concerned about the lack of clarity of the incentives, and my understanding was we would take up that issue separate from this Bill. But if the Department of Water is already setting policy, that is of concern to me. I know I have asked for some research on how other places around the mainland have set up their incentive programs, but as I glanced at the information that I did have, it seemed that the best policy would be to waive the infrastructure costs, such as the facilities reserve charge, only where there is a guarantee of affordability and not where it has the potential for being on the open market. I think one of the jurisdictions we were looking at did that. I would like to have some clarity about that particular aspect of incentives.

Council Vice Chair Kagawa: Anybody else? Go ahead, Councilmember Hooser.

Councilmember Hooser: I appreciate Councilmember Yukimura's comments about increased clarity from the incentives, which I agree, and I believe that is the purpose of doing it separately. The Bill standing alone provides opportunity. The incentives, if crafted properly, will provide even more impetus to get to where we want to go. I think standing alone is still a good measure, and given the time we can work out some real incentives and I agree they should be tied to affordability.

Council Vice Chair Kagawa: Some of my concerns that I was going to put in the form of written questions was that, say we are talking about a new person that now qualifies to put an Additional Dwelling Unit (ADU), who is going to apply for an ADU, submit plans and permits, and part of the permit goes to the Department of Water and you will have to pay the new hook-up fee, which I believe is fifteen thousand dollars (\$15,000). Now, what happens to the illegal structure in Hanamā'ulu that is supposed to only be for one (1) family has two (2) families and they put an additional kitchen once inspection was finished? Now you have two (2) families, but you are only hooked up to one (1) meter. Is the Planning Department going to say, "Hey, now that we recognize your second home, you need to pay an additional hook-up fee, just as the new person who played by the rules all this time and now comes forward under this new Bill and qualifies to put an ADU." Those are the questions that I wanted to get some clarity in writing. I was hoping that I would not take up Council Meeting time because I know Council Chair Rapozo hates when we vet things after-the-fact, but I thought a week ago that this was going to be part of the plan to help affordable housing and we had attached a tax measure that was going to be approved prior. Therefore, I thought that in the Committee Meeting, it was going to be deferred. I assumed wrong and I learned from my football coach to "never assume." Now I know. Anyway, I just had some written questions and I think if I give the Planning Department some time, we can get some accurate answers. The other thing I wanted to know was over the years, and we are going to have to dig deep with some of our longtime planners, how many complaints were issued by neighbors or made by neighbors of people that have illegal residences without permits in the Hanamā'ulu, Līhu'e, and Puhi areas? I

wanted that breakdown separately and what the outcomes were. Those kinds of questions, I think if I ask Ka'āina today, is not fair. I need to give him at least one (1) week or two (2) to get those kinds of answers. I was going to share my responses with the whole Council, and probably for a lot of those questions, we would read them and we no longer have the issue. I think that way I would not be going against Council Chair Rapozo's theory of doing our work in Committee because I would have the answers for you folks. I thought that was an option, and then I would save the staff time from having to do another committee report, and you folks did a lot of work in Committee. I appreciate all of the questions that you folks asked. The only disappointment is that some of the questions were, "I will get back to you," and I would like to see that "I will get back to you" answer. I will put that as part of my follow-up, the new request for questions. Councilmember Yukimura.

Councilmember Yukimura: I just wanted to say that I thought we were going to do the incentives separately from the standalone Bill, but I am not real sure that is happening if there has been a request for a policy change from the Board of Water Supply already that has been crafted and shaped in a way that does not have our input and is not part of a comprehensive plan. I am not clear that we are actually going to be able to do it separately if it is already in motion with certain parameters that we have not really had a chance to influence or understand.

Council Vice Chair Kagawa: My other question as well was what happens to this policy, if we pass it, we will say, "Well, there were years of people trying to make life to the best of their abilities, provide housing for their families, and they did what they had to do." I am going to condemn that because when you are in that situation to make those decisions, you do it. But what happens to the person that is outside of the Līhu'e district, like in Kapa'a, Waimea, or Hanapēpē that have the same financial situation and they do that addition? Will they be allowed to, at some point, fall under this type of exemption, even though this is only for the Līhu'e Planning District? That was one of the follow-ups that I had for the Planning Department to answer, so hopefully in two (2) weeks we can get some clarity. Councilmember Chock.

Councilmember Chock: I might make a suggestion that we also have the Department of Water give us the update. The Board of Water Supply has taken some action, in terms of some of the rule changes. To get that clarity that I think Councilmember Yukimura is seeking and have them here to answer that specifically might at least give us an indication of what the ultimate needs are for infrastructure on the whole island and be able to make us more comfortable about either moving this particular initiative forward or not.

Council Vice Chair Kagawa: I think what I can do is that the questions pertaining to both the Department of Water and the Planning Department, I can send the Department of Water a separate request and we will see what their response is, and the Planning Department can work with the Department of Water, too, because I think they should. Councilmember Yukimura.

Councilmember Yukimura: I do not know if it would be more workable to just refer this back to Committee if we think it needs more work; that is number one. The other is I just wanted to say on a totally separate issue, if we are talking about applying it to other places in Līhu'e, there is this whole issue of not

incentivizing growth where you do not want it. It is a huge planning job to make sure that we are incentivizing growth where we want it and the right kind of growth, because we put this somewhere where there is really high or where there are a lot of pressure for second homes and high-priced homes, we are not going to achieve our goal of affordable housing. It gets really complicated if you start talking about outside of the Līhu'e area and we might just want to focus on the Līhu'e area as a pilot project and work out all of the kinks and make sure that it works well before we talk about going anywhere else.

Council Vice Chair Kagawa: Councilmember Chock.

Councilmember Chock: My intention was not to start to open the door for that, but to get a broad sense of what we are really dealing with, in terms of housing and the infrastructure needs and how we are going plan for that in the future. I think I prefer the deferral at this point. For me, a lot of the questions have been answered, but I appreciate that others are interested in hearing them firsthand and getting responses on the specifics. Thank you.

Council Vice Chair Kagawa: I have been told by staff that one of the advantages if we defer this is that we give them a little bit more time to respond to some of these questions. The Planning Director sits on the Board of Water Supply and factually I think he can give an idea of what the answer may look like. We can try and if we need to do extensive work after two (2) weeks, then we can go back to Committee. I think the feeling that I got from Planning Committee Chair Chock was that there were the votes to move this along, just for the fact that it is already out there. A lot of what is in the Bill is already out there. Are we going to assess and fine each and every one? If we know what the true gamut is out there, we know that it is unrealistic to ask the Planning Department to do so and we do not want to do that to a lot of the families who basically just made do with what they had and I think we would be hurting the people that really need the most help. I think the votes are there, but I would just to get some answers before we take that final vote and hopefully the answers to the questions can give us some comfort in two (2) weeks. That is my hope. Councilmember Hooser.

Councilmember Hooser: There may be several of us not able to attend the June 15th meeting, if that is the date of the meeting. I am not able to attend and I suspect there are others around the table that cannot attend also.

Council Vice Chair Kagawa: Scott said we can defer to July 6th and that would be great for me if there is not a rush.

Councilmember Hooser: Okay. Further, for the record for the public, I do not support a crackdown by the Planning Department or by the Administration on people who have made improvements to their house in putting family members in rentals like we are talking about. This Bill was not intended to facilitate that; it was intended to facilitate a path forward, so they could legitimize those operations. There have been no conversations that have included me of any intent whatsoever for increased taxes or increased activities to crackdown on this phenomena, which is island-wide as you say, and I do not support that. If that is the Planning Department's intent, then I will ask them to tell us that, but I have not heard that

whatsoever and I do not need to hear it today. That is not the intent. The intent is to facilitate new affordable housing/rental units in the Līhu'e district. Thank you.

Council Vice Chair Kagawa: Councilmember Kualī'i.

Councilmember Kualī'i: I want to say, too, that clearly when we were working on this in Committee, my strong support for it was how clear the Planning Department was that this was about building inventory and not about addressing any kind of illegal problem. But I would say that in our crowded neighborhoods like Puhi and Hanamā'ulu—I grew up and lived in Puhi—there are multiple families living in homes that are overcrowded, yet there may be other homes where, like Councilmember Yukimura was saying before, there is an aged couple, their kids moved away, they have a three-bedroom house, and it is just them, and they are not going to rent out any rooms because they want their privacy, but they may do an alteration to the home, an interior renovation, that would separate the home into two (2) units, and then be able to rent to young people or others. In Puhi, it is convenient because Kaua'i Community College (KCC) is right there. There is a lot of potential with this Bill. I think we are pretty close to being there. I, too, would want to hear more about how we interface this with the Department of Water in making sure we are maximizing the impact and the success of what we are trying to do with this. The only other thing is how we are dealing with the affordability side of it. I think that is important, too, because we want to have these rentals as much as possible be affordable as well. Thank you.

Council Vice Chair Kagawa: Further discussion? Again, for me, I want to reiterate that it is a fairness issue. I do not want to see the situation that Councilmember Kualī'i is talking about, that this Bill is just creating an opportunity for some new family to perhaps make some income, yet, handle the affordable housing need that is out there. But yet, these folks who play by the rules lose because they have to pay more than the folks who have been circumventing the law. When the loser wins, it just does not make sense to me. I want to make sure that it is as fair as possible. If you have a rental unit, you pay the rental associated cost to the County like everybody else; not, "You hide yours, so you do not need to pay." It does not make sense to me. Anyway, that is how I feel. I think as fair as we can get it, it is always the best way to hold up in the long-run. With that, further discussion? Public testimony? Go ahead.

There being no objections, the rules were suspended to take public testimony.

Mr. Mickens: For the record, Glenn Mickens. It appears that this situation is kind of a "double-edged sword," too. You are talking about the fact that we need affordable housing and there is no doubt about that. The point that Councilmember Kagawa brings up is extremely important because you cannot be opening the door for one (1) person, and then penalizing the person that is abiding by the rules. There is something not right about that picture. Before any of this goes on...say it becomes where you allow people to rent out, now you are taking the same family...you are not letting them expand into the place that you were supposedly building these places for, so now you are going to have more density, right? At this stage in the game, our infrastructure cannot carry what we have got. We are not addressing our infrastructure before we build out, whether it is a condominium, hotel, or whatever it is. They are putting more and more, but we are

not addressing the infrastructure. Before we do that, we have to really look at this, no matter whether you are building another unit, expanding it, or whatever you are doing. If the law is going to say that the only people who can live there are the families you are expanding for, I can see where that may have some justice. To say that those people are going to build an ADU—what happened to the ADU law? That is why we had that, right? It was so that you could have more rental income on your property, so we went through that over and over about the ADU. But for this thing, unless it is somehow restrictive and anybody can go ahead and rent it, then I think you are just defeating your purpose because the people that you are trying to build it for, if it is a family where you have eight (8) people living in one place and you are going to expand it so those people have their own privacy; that really does not increase the population in part of the thing. If you let it be used for anybody that can come in and rent it, I think you are kind of defeating your purpose. Anyway, the biggest thing you are going to have to address here is infrastructure. Until we address the infrastructure, each one of these places is going to have more people, more cars, and everything. Before you expand anything, we are going to have to look at the infrastructure and put that in place first. Thank you.

Council Vice Chair Kagawa: Next speaker.

Ms. Sparks: Norma Doctor Sparks. I have a concern about the issues about the unfairness about whether or not in creating another unit or part of a house in the Līhu'e Planning District, whether someone will have to pay fifteen thousand dollars (\$15,000) for water hook-up and they have already been doing it for a long time, so they would then be grandfathered in a way or exempted by this particular Bill. I am also concerned about the other parts of the island as well. As it was mentioned earlier, it does occur in other places. The idea of looking at the Līhu'e Planning District as a pilot, as Councilmember Yukimura mentioned, is a good idea; however, I would like to make it clear that even though it is a pilot, that there still continue to be the fairness of applying it island-wide as well. Thank you.

Council Vice Chair Kagawa: Further speakers? Seeing none, final discussion? Councilmember Hooser.

There being no objections, the meeting was called back to order, and proceeded as follows:

Councilmember Hooser: I think the elephant in the room, if you would, has to do with, as you mentioned, Vice Chair, the preexisting units that are out there and the issue of fairness. I think this is a very sticky issue. It has to be handled very, very carefully and I for one do not want it to turn into what happened with the vacation Bed & Breakfast issue. I think people need to follow the law, but our County needs to...after having looked away for generations and allowed people to do certain things, rent out rooms, or have family members, or put in second kitchens around the island; after having accepted this in practice, that it would be bad policy that all of a sudden we start cracking down on this stuff. I think we have to provide a gradual path to compliance and this is a step in that direction. Either we have the status quo and these things all exist, or we ask people to start complying and not with a sledge hammer, but with a slow and gradual

methodology. I do not believe that this issue should prevent us from creating a clear path to legal rentals for family members and others on your property and that is what it does. Clearly, many people out there want to rent out and do not want to break the law and they are not, but this will say, "Okay, you can close-off this room and put in a small kitchen or make it otherwise affordable." We need to do that and provide a pathway for those who do want to say, "Okay, I am going to get permitted, go in, and bring this little rental up to code, and get it legal." It should not be with a hammer; it should be with an incentive, but a pathway to facilitate this process. I agree with focusing on the Līhu'e area to see how it works. Again, the Līhu'e Community Plan calls for the increased density, and then we could see about expanding it to other areas. Thank you.

Council Vice Chair Kagawa: Councilmember Yukimura.

Councilmember Yukimura: I concur with what Councilmember Hooser said and appreciate how clearly and well he said it. In dealing with the issue of existing units that may be in violation with our law, let us not go through the homestay kind of process again. It is going to take more planning, but that is what the Planning Department is about. It is going to be a matter of creating a clear pathway and a fair one to legality, if you will. It is separate from this idea of creating additional units in a permitted way or through permitting that we can proceed with. I beg the Planning Department to really think carefully about how all of these things are going to happen because people's lives and livelihoods are involved and we have to be sensitive and compassionate about it.

Council Vice Chair Kagawa: Councilmember Chock.

Councilmember Chock: I want to thank Council Vice Chair for all of the questions. I certainly have not been looking at it from that perspective that it might be used as a "sword." That is definitely not my intention. I also do not want us to miss out on the big picture of what we are dealing with because it is huge. Even based on testimony, we are just scratching the surface on the true needs of housing. The housing gaps are so big. I think it is a good first step. Our General Plan, as was mentioned earlier, is where it is focused. In terms of infrastructure, the infrastructure is available here. It has already been identified and that is why this is a good first step. I also appreciate that we are looking at this area first with the intention that we could be expanded to other areas, other districts. I think that the approach we have taken in the past has gotten us in trouble of sort of blanketing these rights or wanting to advocate for expansion without really proper maintenance and following what the implications are of our bills as they go into ordinance. I appreciate this discussion and I look forward to getting this forward. Thank you.

Council Vice Chair Kagawa: Further discussion? I just want to thank the Planning Department. I think the Bed & Breakfast issue is kind of different. I think the Planning Department did what they had to, and it looks bad, but really what they did was try and control the Transient Vacation Rentals (TVRs), and when you try and crackdown on TVRs, and the TVRs who are guilty say, "Well, I am a Bed & Breakfast"; that was the avenue out for the TVRs. I think the Planning Department did a very admirable thing and a wise decision by doing what we did. Having said that, I think this is the Council's attempt to finally work with the

Planning Department and resolve this issue, instead of ignoring it. Now, the question is how do we resolve it in the fairest manner, while considering the needs of our community who cannot afford to be penalized heavily? It is a tough question to answer, but yet, let us not hide from the floor what our answer is. People watch and the news covers this. Let us say what our solution is. I did not want to just pass a bill without asking the tough questions and having those responses be shared, as far as how do we handle this in the best way that we can? Hopefully, I can work with the Planning Department. When are we going to defer this to? July 6th. If we are comfortable by then with the answers that we have, and finally not only take care of an existing situation that has been happening over years, but open the door for new people to perhaps fill some of those gaps of our affordable housing crisis.

Councilmember Kaneshiro moved to defer Bill No. 2627, Draft 1, to the July 6, 2016 Council Meeting, seconded by Councilmember Chock, and carried by a vote of 6:0:1 (*Council Chair Rapozo was excused*).

Council Vice Chair Kagawa: Thank you, Members. Next item.

Ms. Fountain-Tanigawa: Vice Chair, this brings us back to page 4, Bills For Second Reading.

Bill No. 2625, Draft 1 – A BILL FOR AN ORDINANCE RELATING TO THE OPERATING BUDGET AND FINANCING THEREOF FOR THE FISCAL YEAR JULY 1, 2016 TO JUNE 30, 2017 (*Fiscal Year 2016-2017 Operating Budget*): Councilmember Kaneshiro moved for adoption of Bill No. 2625, Draft 1, on second and final reading, and that it be transmitted to the Mayor for his approval, seconded by Councilmember Chock.

Council Vice Chair Kagawa: Any discussion? Public testimony? Does anyone want to testify on the Operating Budget? None? Okay. Discussion?

Councilmember Kaneshiro: I have a process question.

Council Vice Chair Kagawa: Go ahead.

Councilmember Kaneshiro: I know that typically at the end of the budget, everyone makes their final statements. Does that happen on this particular item?

Council Vice Chair Kagawa: Now is the time. I have a prepared statement from Council Chair Rapozo, who wanted his statement read for the record because he really finds this as one of the most important times to express his feelings on the financial status and the work that the Council has done. If Members would agree, let us have Jade read Council Chair Rapozo's message and we can think about our plan afterwards.

Councilmember Kualii: I just have a quick question. A couple of weeks ago, I was talking with the Chair and he had talked about how when he would run this meeting that based on the intensity and voracity of the budget process that each of us as Councilmembers might have a lot to share and present and that he

would consider ten (10) minutes for each of us. I am wondering if that is even possible.

Council Vice Chair Kagawa: We will follow the past on the budget and ten (10) minutes is fine with me. I have a very short one.

Councilmember Kualii: Can I have some of your time?

Council Vice Chair Kagawa: You can have four (4) minutes of my time.

Councilmember Kualii: I am just kidding.

Council Vice Chair Kagawa: If we are going to stick by the rules and somebody calls for the question to stay with five (5)...anyway, do you want to start? Can we do Council Chair Rapozo's remarks first? Then we can all think about our strategy.

Ms. Fountain-Tanigawa: "Aloha Councilmembers and members of the public. This is a statement from Council Chair Mel Rapozo regarding the Fiscal Year 2016-2017 Operating and CIP Budget. I had hoped to be there today to personally vote on second and final reading on both the Operating Budget and the CIP Budget for Fiscal Year 2016 to 2017. Unfortunately, I am unable to attend today's Council Meeting, as I am recovering at home from neck surgery that was done last Thursday. I would first like to thank the Budget & Finance Committee Chair Kaneshiro for his leadership in navigating the Council through the budget process, which was done effectively and with *aloha*. I would also like to thank my fellow Councilmembers for contributing to that process, which lead us to what I believe is a fair and balanced budget. Finally, I would like to thank Mayor Bernard Carvalho, Jr., and his Administration for their assistance during this budget session. If I were present today, my vote would be to approve the Operating and CIP Budgets, as well as the proposed Real Property Tax rate for the upcoming fiscal year. *Mahalo*, Council Chair Mel Rapozo."

Council Vice Chair Kagawa: I will let Councilmember Kaneshiro, as the Budget & Finance Committee Chair, go last. Anybody else wishing to speak? I will go. First of all, I just want to say that the questions about inefficiencies of this Council to make significant cuts into the budget, I think the question is, has any Council in the past forty (40) years significantly cut the Operating Budget of the Mayor? I know the answer, and it is "no." It is not the will of one (1) person or two (2) people that feel the same in making significant cuts to different areas. You need four (4) and if you watch the process of the budget, when significant cuts were even talked about...you saw the Administration's expressions and words like "the sky is falling." When they threaten you that "the sky is falling," it becomes difficult to decipher what is true and what is false. That is why it is very tough to make significant cuts. I hoped and wished that I could have made...I prepared over two million dollars (\$2,000,000) in cuts, but in order to get the votes that is required to make the cuts, I think my cuts came out to maybe three hundred thousand dollars (\$300,000) or four hundred thousand dollars (\$400,000). You can have that intention to make the cuts, but without the support, it is very difficult. I would like to thank Committee Chair Kaneshiro because I think he did a great job. We had some robust discussion here at the budget and it should be that way. When you are broke, just like when

families are broke at home, it is going to get heated as to what are priorities, and I know that because life financially was not easy for me; it never was. So I do not take these money issues lightly and there are people out there worse than me, a lot of them. We have to really think about them first whenever we go through this budget. If we continue to keep the poor and the middle-class struggling in mind, I think we are all going to be at a better place each and every year. To me, we have to continue that "Democratic Party" way of living here at the Council and as we discuss the budget, then I think we will be better off. It continues to be a struggle and I think we did a commendable job. We did not increase the General Excise Tax (GET), which was a big thing, but neither did Hawai'i island and Maui. I just went to the Hawai'i State Association of Counties (HSAC) yesterday and they said it is dead. We did not be the only ones, besides O'ahu that has the rail, that increased the GET in any amount. I applaud the Council for staying consistent with the other islands that do not have rail and let us try and make do with what we have. I think the Administration has an opportunity to find "fat" in their budget and prove to the taxpayers that we can pave a little bit more roads or we can do a little bit more of whatever they do with excess moneys that they find. I think that is the way you win public and Council support going further, should you need to raise any taxes, fees, or what have you. The proof is in the pudding. If you hit for a good averages the coach will put you in, Glenn. Councilmember Kaneshiro will be going last. Anyone else wishing to speak? Councilmember Chock.

Councilmember Chock: I just wanted to also thank Councilmember Kaneshiro, the Budget & Finance Committee Chair, in getting us through another budget year and commend him on his process and efficiency. I liked how expedient and professional we were. This is my third budget. In my first year, we were probably close to a complete depletion of our reserves. Since then, every year, I think we have really increased our capacity to breaking even and now slowly building that rainy day fund for what is an appropriate amount for us to consider. Our Treasurer said in testimony here that our bond ratings increased. I think it is "AA," depending on which one you are looking at, which rating source. What I heard him say was the best that we have had to-date, so I think that we are becoming a "healthy organization," so to speak. We have also seen some cuts and I commend the Councilmembers who have done a good job, like Councilmember Kualii and Councilmember Kagawa, who looked for ways to cut and have kind of thrown whatever they could out there to see what could stick and some of it has. I think it is evident by the kind of cuts you saw this year, not as much as the previous two (2) years. I think we are at a total of three hundred twenty thousand dollars (\$320,000) in cuts, which was significantly less than previous years. Because of it, I think it says that we have been trying to make a difference in trying to cut here and there. Is there more? Absolutely, as Councilmember Kualii said. If you look at the cuts that we did this year, a lot of them were in community grant funding sources from the Office of the Economic Development and the Office of the Mayor. So you are not seeing the cuts come from the sort of systemic areas that we all would like to see it come from in our staffing employees. There is reason for it; the reason is because of civil service laws. You saw some creative things trying to occur here that we just did not have a purview over in this last budget, so there were attempts, but they were "out of our grasp," so to speak. If this Council is really looking to make those changes. We actually have to see some systemic changes occur in order for us to be able to make that happen. So I am happy that we are moving in the direction of a healthy organization and there is more to be

done. I just wanted to highlight a little bit of what those things were because there has been a lot of talk about “want” versus “need” and I am an advocate as well. I do not come from a wealthy family, so I know what it is to struggle. I understand the need to get back to basics. At the same time, as leaders, we need to look at innovative ways to get us to where we need to go for the future. The needs that I think that are within our purview—I have talked about the collective bargaining negotiations, which is not within our purview very much. The need for our Transient Accommodations Tax (TAT) is definitely something that we need, not so much in our purview. We are kind of subjected to the State here, although we could have an all-out war, which I understand is some interest. It is still not within our decision-making power. What we can do is we can continue to really focus our time and energy on this budget plan and the Government Finance Officers Association (GFOA) is really helping us to get there, but I think we need to be more involved in that process. I think that it will help us identify our priorities for this County. When we get those priorities down, then we can really focus on understanding what those basic needs are and act on them appropriately. We definitely need to find a way to fund and fix our roads and bridges—one hundred thirty million dollars (\$130,000,000) of a deficit or maintenance—how are we going to do that? I have not heard any answers on that, but I am hopeful that at least we can start to look at alternative ways to bring those needs to the forefront. We also need an auditor and this is within our purview, but we have not been able to get one to-date. We have done really diligent work on it; we just have not been successful. I want to spend more time and energy on making sure, in order for us to be more accountable. The thought process I have is that in order for us to increase services or stay on track with the services we are already providing, we need to increase capacity internally. We talk about cutting people. I do not see that happening so much, but why do we not invest in the current employees that we have so that we can build their efficiency and capacity, and that means we have to invest in them and invest in what they can contribute and get them to a point where they can believe and want to contribute more to the services gaps that we are having. That, to me, requires good leadership on every level from the bottom-up and here at this table as well. I am just happy that we are through another budget season, but also looking forward to how we can really tackle some of these things that are within the Council’s purview, and tackle them as soon as possible. Thank you.

Council Vice Chair Kagawa: Councilmember Kualii.

Councilmember Kualii: Vice Chair, as the Budget & Finance Committee Vice Chair, I would like to go second to last.

Council Vice Chair Kagawa: Okay. Councilmember Yukimura or Councilmember Hooser? Whoever is ready can go next. Councilmember Hooser, do you want to go first?

Councilmember Hooser: Not necessarily.

Council Vice Chair Kagawa: Okay. Councilmember Yukimura. Do you folks want a recess and think about it a little bit? Are you folks good? Fire away.

Councilmember Yukimura: Thank you. It has been a good budget process and I think thanks are due to several groups of people. First of all, the

process has gotten consistently better in recent years, thanks to the effort of the Mayor's budget team that has tried to incorporate best practices in budget and financial management. So *mahalo* to Finance Director Ken Shimonishi, Budget Officer Ernie Barreira, Managing Director Nadine Nakamura, former Finance Director Steve Hunt, and Mayor Carvalho for your leadership. Second, credit also goes to department heads and their administrative and budget people for sharpening their pencils. Sometimes it seems that the main goal of our budget process is put forth as "cutting costs," but I do not think that is exactly accurate, because if it was, we should just cut services and that will cut costs. In fact, the real goal is to cut waste, which is harder and a more complex thing to do because we first have to determine that the money we want to cut is not actually needed for some important service or will not indirectly cause more costs, such as cutting a position than incurring more overtime by the employees who are left, or cutting preventative maintenance out of this year's budget, only to cause more costs in future years. Over the past several years, certain departments have done this difficult task of cutting waste and making things more efficient in big and small ways and they are to be commended. The Police Department's use of a mezzanine in their evidence storage facility is an example of this; they found a way to do more with less. Also, instead of putting retired police cars out to auction and getting a few hundred dollars at the auction, they are saving thousands of dollars by using parts to fix the cars that are in service. The Wastewater Division found that they could do a job in-house that was originally intended as consultant work at a much less cost and with no reduction to the quality of work. I know the Department of Human Resources (HR) found similar savings and the Department of Public Works has found savings, too. So kudos and thanks to those departments because this is the kind of exemplary budget management we want to see. The third reason our budget process has been good is because of our Budget & Finance Committee Chair's leadership and restraint, and Councilmembers' cooperation in identifying "needs" versus "wants." Finally, on the Council's side, thanks to the leadership of Deputy County Clerk Scott Sato and his team of Yvette Sahut and Jenelle Agas, with the support of County Clerk Jade Tanigawa and other staff, our budget process has improved tremendously over the last two (2) to three (3) years. If only Councilmembers like myself could learn to use the process better, things would work even better. It has not just been the process because the outcome, as stated in our budget message, finds us for the first time in years presenting a balanced budget without the need to draw from the Unassigned Fund Balance. That is a very significant outcome. It is a sign that the County budget is getting healthier. I want to give a shout-out to finally getting the Moi Road sidewalk in the budget, too, after years of requests. This is the kind of service that is needed and that is allowed when we have enough revenues and the political will to put it in. Anyway, that is a wonderful thing. The one thing that saddens me about this budget is that we are leaving key needs unmet, and by doing so, our community will be hurt as we move into the future. I had a budget amendment ready to propose to increase bus service on the weekends to a weekday schedule, which would have helped a lot of people. According to the Office of Vocational Rehab, who has sent in testimony supporting bus expansion, a young man got a job, but could not take it because of our existing weekend bus schedule, as he has no car as an alternative. It would cost the County six hundred thousand dollars (\$600,000) to make this upgrade in service, but the total savings from our cuts, as you know, was three hundred fifty-five thousand dollars (\$355,000) and we decided in a good way to put it for road repair. I could not even propose my amendment because there was not enough money. I want to point

out one more way that the bus service helps our residents, those on very tight incomes. The example is a real example; there is a County employee who commutes to work daily from Waimea to Līhu'e. His gas bill several years ago used to be three hundred fifty dollars (\$350) a month and now he commutes with an annual bus pass that costs thirty-three dollars (\$33) a month, which means he saves three thousand dollars (\$3,000) a month. Like another bus rider said, "That is like a pay raise." That is the opportunity that we give to our residents if we can expand bus services. In fact, to make an effective dent in our one hundred million dollar (\$100,000,000) backlog of road and bridge repair, we need ten million dollars (\$10,000,000) a year; not putting that in the budget this year means that road repair, which I believe everyone supports, is basically unaddressed. Lastly, to meet our recycling and landfill diversion goals and implement our Integrated Solid Waste Management Plan, we needed to fund a Materials Recovery Facility (MRF), which enables curbside recycling. That was left unfunded to a crippling degree. So this really underscores the need for additional revenues; not for luxuries or wants, but for real needs. I want to make a pitch for the excise tax because we still have a chance if there is the political will. By not approving this tax, which can be spent in a way that offsets its regressive nature, and which also requires visitors to pay their fair share, we are saying no to ten million dollars (\$10,000,000) a year that we desperately need to prepare Kaua'i for the future, to help provide affordable transportation, and meet our dire road repair needs. It is very, very unfortunate because it would give us the wherewithal to meet the needs of this community.

Council Vice Chair Kagawa: Councilmember Hooser.

Councilmember Hooser: I will keep my remarks very brief. A lot has been said already and I want to share my *mahalo* to the Chair of the Budget & Finance Committee, Councilmember Kaneshiro, who did a good job, and also to the staff who have helped us in producing the materials in moment's notice and never complained about anything, at least not to me. They do everything with a smile on their face, they are very professional, and we are very fortunate to have such a great staff. I also want to thank the Administration, who were here daily and provided the information. I say *mahalo* to all of them because it is always a lot of work and very stressful. There are many people involved in the process. Councilmember Chock said a lot of what I was going to say in terms of building the reserve. It has been a really tough few years. When I first came aboard, there was nothing it seems like, and some hard decisions have been made over time and now our reserve is gradually building up to a place where we should be happy with it. I do not know if the public understands the nature of the reserve; it is if there is a downturn in the economy or there is a disaster or something, we still need to pay our bills. It is money in the bank; it is a savings account. For many, many years, we have been spending out of that savings account and greatly depleting that savings account, and now we have been able to build up that reserve again somewhat. Yes, it has been at the expense of some of the other services, whether it be the bus, roads, or other things that we would like to do. We, as a body, have chosen not do those and instead focused on preserving the reserve and to focus on not raising taxes. I know it is not universal, but I think majority of the Council certainly supported that position and I think it is an accomplishment that we should check off that we did not raise taxes. My experience with working with people in the community is that they are over taxes and they are over increasing costs, period, and a lot of people are struggling. So we were able do this without

raising taxes at all. The roads issue, in a sense, came out of the blue. We all know that traffic is bad and we have potholes and that kind of thing, but it seemed like all of a sudden one day it shows up that there are one hundred million dollars (\$100,000,000) worth of road repairs, bridges are collapsing, and “the sky is falling.” It just seemed like overnight that, that message came in and during that same time period it came in, we also needed to give everybody raises, in terms of the Administration, which we do not have enough money to do everything. I did not essentially buy that message, did not support those raises, and did not support raising taxes to deal with the roads. I think it is important for the public to think about which roads are the worst ones and if people really pay attention, they will see that they are State highways and they need to reach out directly to the state legislators and ask for their attention. I drive back and forth to the eastside every day like many of you do, or to the west side, and there are potholes filled with concrete on Kūhiō Highway and they are going forty miles per hour (40 MPH) to fifty miles per hour (50 MPH) and they are bad for the car, not to mention the traffic. The congestion and the condition of the roadways, to a large extent, are State highways and the public blames the Council because we are here and we are on television every week and we are in the community, but the state legislators in the State Legislature need to get on that and do something about that; not to say that we do not also need to do our County roads. I think as we move forward, we will have to deal with that and how we will pay for it will be a question that has to be dealt with also. I think we missed the window and partly I missed the window on looking at the visitor industry as a revenue source in terms of the timing of that, so I will continue looking at that. I think because of the TAT cap and for many other reasons, I do not believe that the visitor industry pays their fair share and we need to ask them to pay a little bit more. I am most proud that we were able to do this without raising taxes and that we can move forward building the reserve. I am also disappointed, I have to say, for a relatively small amount of money that we did not provide any support at all, certainly no new support, to agriculture. We had a proposal for a relatively small amount of money—in fact, we cut agriculture because we cut the farmers market support for Electronic Benefit Transfers (EBTs) and I would like this Council and the Administration to consider, as we move forward, offering more support to agriculture. How do we support the small family farms that are struggling out there, trying to grow food by utilizing the land, and increase our sustainability in terms of food production? Overall, I think we passed a good budget. We did not raise taxes, we dealt with our core needs, and we did it fairly amicably, and I thank the Chair again for that. Thank you.

Council Vice Chair Kagawa: Councilmember Kualii.

Councilmember Kualii: *Mahalo nui loa* to everyone here at Council Services and throughout the Administration, who helps this Council do its most important work each year, deliberating and deciding on our County budget. The Mayor used the phrases, “moving in the right direction” and “continuing to move in the right direction,” in his last two (2) March submittals. I would add “further and faster,” as we need to do more and to do more now. I would also add the phrase many of us keep repeating, “Doing more with less.” The people of our County have been doing more with less for many years now. At the same time, our County has not. While we have turned the corner, leveling out our budget and not needing to dip into our Unassigned Fund Balance, we are only really maintaining the status quo. My first slide demonstrates this. Our General Fund budget has grown

drastically since 2002, more than doubling from fifty-two million dollars (\$52,000,000) in 2002 to one hundred twenty-six million five hundred thousand dollars (\$126,500,000) in 2015; 2016 levels off at one hundred twenty-six million three hundred thousand dollars (\$126,300,000); and 2017 comes down slightly at one hundred twenty-five million five hundred thousand dollars (\$125,500,000). The second slide tracks our Fund Balance and Unassigned Fund Balance over that same period. Our Unassigned Fund Balance has gone from three hundred seventy thousand dollars (\$370,000) in 2013 to thirteen million seven hundred thousand dollars (\$13,700,000) in 2014, and then to twenty-six million one hundred thousand dollars (\$26,100,000) in 2015. We are more than needing the GFOA's reserve recommendation of two (2) months of Operating Budget, which is eighteen million dollars (\$18,000,000) to twenty million dollars (\$20,000,000). The third slide tracks County expenses with data from our 2015 Comprehensive Annual Financial Report (CAFR) from 2006 through 2015. Again, this shows the same leveling off of expenses across all County funds, as was shown earlier for the General Fund. My final slide tracks County-wide employees, full-time equivalent, also with data from our 2015 CAFR from 2006 through 2015. What seems to jump out from this bar graph is that it is a drastic increase from 2013 and 2014, and then back down again in 2015. I wanted to share these slides to show where we are at and where we have been as a county, financially. Yes, seeing them brings up questions for me, as I am sure they do for you, and while I do not necessarily have answers at this time, I am hopeful that we will be able to use this data going forward to do better with our budgeting.

By now, everyone knows the tough situation we are in because the Legislature has been unwilling to lift the cap on our share of the transient accommodation taxes, the TAT. All I would add to what has been said is that I agree that we should seriously consider increasing real property tax rates in both the Hotel and Resort and Vacation Rental categories. At a minimum, I also agree that we should seriously consider raising the Vacation Rental rate of eight dollars and eighty-five cents (\$8.85) to the same level as the Hotel and Resort rate of ten dollars and eighty-five cents (\$10.85). Going forward, in order to avoid raising any of these taxes to offset TAT losses by our County, we need to engage the visitor industry, including our constituents who work in the industry, to do a full-scale mobilization, pushing the Legislature to remove the TAT cap that costs us millions in revenue that we need for road repairs and reconstruction. While I understand the Administration's need to propose creating a new County general excise tax in an effort to address our one hundred million dollar (\$100,000,000) road repair backlog, I could not support such a regressive tax that would harm our struggling families. Instead, we need to begin chipping away at the road repairs backlog by finding budget savings and cutting costs. Although the Council only ended up with three hundred fifty-five thousand dollars (\$355,000) after appropriating four hundred thirty-four thousand dollars (\$434,000) of our savings to Ocean Safety raises, we did appropriate all of those funds to the Highway Fund for road repairs and reconstruction. I am proposing a charter amendment that would allow voters to direct County leaders to budget one million dollars (\$1,000,000) each from our real property tax and our TAT revenues to be dedicated each year to the Highway Fund, solely for road repairs and reconstruction. The Finance Director has already objected to an initial rough draft, which included four million dollars (\$4,000,000) each from real property tax and TAT, stating, "It does not address the consequences of such sizeable revenue allocations and therefore, is extremely irresponsible." I

expected that at the four million dollar (\$4,000,000) level and hopefully he will not oppose it at the one million dollar (\$1,000,000) level, and ultimately he would have no choice if the voters decide. He also stated that it would take significant reductions in public programs and/or services, perhaps including department eliminations. I have submitted a request to the County Attorney for a review as to the form and legality. Finally, I am also considering looking for a way to mandate a minimum percentage or dollar amount from the Highway Fund to be expended exclusively on road repairs and reconstruction. Imagine how our constituents felt seeing us consider creating a new county general excise tax to address the backlog, while at the same time, supporting raises of over five hundred thousand dollars (\$500,000) to one hundred thousand dollar (\$100,000) positions; raises that increases our one hundred thousand dollar (\$100,000) or more positions from fourteen (14) to thirty-four (34) throughout the County; raises that range from four thousand dollars (\$4,000) to thirty thousand dollars (\$30,000). Three (3) examples of approved raises are the position of the Mayor, going from one hundred twenty thousand dollars (\$120,000) to one hundred thirty-two thousand dollars (\$132,000); the position of the Fire Chief, going from one hundred fifteen thousand dollars (\$115,000) to one hundred twenty-seven thousand dollars (\$127,000); and eight (8) Deputy Prosecuting Attorney positions, going from eight-four thousand dollars (\$84,000) to one hundred nine thousand dollars (\$109,000). Three (3) examples of raises that were not approved are for the position of the Director of Parks and Recreation will not be going from one hundred seven thousand dollars (\$107,000) to one hundred nineteen thousand dollars (\$119,000); the position of the Housing Director will not be going from one hundred three thousand dollars (\$103,000) to one hundred nine thousand dollars (\$109,000); and the six (6) Councilmember positions will not be going from fifty-seven thousand dollars (\$57,000) to sixty-three thousand dollars (\$63,000). On March 23, 2016, all the raises were stopped when five (5) Councilmembers voted to reject them; however, on April 20th, when the raises were put forth again in two (2) groupings, the majority of raises of five hundred sixty-six thousand dollars (\$566,000) for forty (40) positions could not be rejected, falling one (1) vote short of the five (5) needed. A second smaller group of raises costing two hundred twenty-two thousand dollars (\$222,000) for sixteen (16) positions were rejected. The last attempt to stop those one hundred thousand dollar (\$100,000) raises from passing through the budget process was my proposal to cut the salary funding in the budget. While the raises were always referred to as "salary caps" and not "automatic increases," they were all budgeted for in their entirety. My proposal was to cut these position salaries and wages back to the amounts, excluding the new raises. The cut proposal would pass with just four (4) votes and there had already been four (4) votes against these one hundred thousand dollar (\$100,000) raises for three (3) different votes that are were taken. Still, when a Councilmember questioned the proposal's legality and stated it was likely in violation of the County Charter, the Finance Director and a somewhat conflicted County Attorney both objected. While there was no definite answer to what was legal and possible, there was enough commotion caused to kill this final attempt at not funding the one hundred thousand dollar (\$100,000) raises. Abandoned by the other three (3) votes that were there all along, I voted alone. I have since submitted a written request for an opinion from our County Attorney and I am still awaiting a response. For me, the other Councilmembers just gave in too easily and merely at the inference and without actual legal advice.

These are some of the things I think could help us work with our future budgets: number one, a semiannual confidential report from the Vacancy Review Committee to the Council with recommendations for budget savings and cost-cutting. I do want to say *mahalo* to the dedicated folks that serve on the County's Vacancy Review Committee. Your job is quite possibly the most important job in serving our people, especially our struggling working families. Your job is key to improving the efficient delivery of services throughout our County. When it comes to our County doing more with less, you hold an important key. Your deliberative considerations are crucial to helping the Mayor and the Council get better control over our labor costs, and thereby helping keep our taxes down. I hope you will redouble your efforts in the coming year and each year after that. Number two would be an annual report from the Cost Control Committee to the Council with recommendations for budget savings and cost cutting. The Charter calls for an annual report and it appears that the last one was done in 2013. The Charter also tasks the commission with reviewing personnel costs, real property taxes, travel budgets, contract procedures, programs, services, and operations. So perhaps the commission could begin working on recommendations for budget savings to our County's largest expenditure, which are labor costs. By reviewing the number of positions, salary levels, overtime, and benefits, considering all types of positions utilized by the County, such as the elected, appointed, excluded managerial, bargaining unit, and contract hires; and by reviewing and analyzing downsizing consolidation, layoffs, and furloughs, with worse-case scenarios of possible budgetary shortfalls. Number three, an accurate, audited version of our labor force numbers like the number of employees, salaries, and wages for those employees for operating our County by decision. Finally, number four, changing the schedule for the Council's budget process: allowing time at the end of decision-making's cuts and adds to make any changes to tax rates, allowing two (2) rounds of decision-making cuts and adds with at least a three-day weekend break in between, and allowing the first round of decision-making cuts and adds to start on Wednesday in place of that week's Council business meeting. In closing, I want to say *mahalo nui loa* again to everyone here at Council Services and throughout the Administration for your help with this year's budget. I also want to ask the people to engage with us County leaders however you can and hold us accountable to do a better job with the budget and demand better from us. You deserve a county that is more efficient, a county that does more with less, and a county that understands how much each and every bit of your hard-earned incomes means to you and your families. *Mahalo*.

Council Vice Chair Kagawa: Thank you. No applause, please. Budget & Finance Committee Chair Kaneshiro. Thank you, again. I did not thank you enough, but thank you for all that you did.

Councilmember Kaneshiro: Thank you. I will try to make this fast. First, I want to thank the Administration, Council, and Council Services Staff for all of their hard work through this budget session. I know it is always a grueling thing. We are here every single day for three (3) weeks. It is stressful on everyone and it is a lot of work that we do before we get to the meeting and a lot of work that the staff has to do throughout the day and even throughout the night, a lot of staff is working. It is a very collaborative effort and I just want to thank everybody, even the Administration, for their hard work. For me, we all understand and feel the pressure to cut government waste and spend tax dollars wisely. We saw how difficult it was for the Council to come up with cuts, but it was not due to our lack of

effort; the Administration actually submitted a tight budget to begin with. I am not sure how budgets were in the past, but it is very difficult to cut on an already slim budget. We expect to cut a lot, but if there are no cuts, there are no cuts. Whether we like it or not, as a Council, the Administration did a good job of cutting the budget prior to getting to us and I commend them for that. I would much rather see a cut budget come to us and we struggle to find cuts, then them providing us an overinflated budget and we are searching for the cuts, because in that situation, there is no possible way we are going to find all of the cuts. In our cutting, they cut a lot prior to us. We cut Police and Fire overtime this year and what we did not know was that the Administration already cut portions of overtime for them, so they pretty much got a double-whammy. There is a lot of hard work going into the budget prior to coming here. For us to sit here and say that the budget is way overinflated and we are going to cut everything—if the Administration provided a budget that was super fat, then we would have a lot of “fat” to cut. It is just not there. I think it makes our job more difficult, but everyone worked hard to try and find cuts, and it did come down to our “wants” versus “needs” are. Also, you saw the results and negative effects of certain cuts of not hiring positions, like the centralized personnel issuing camping permits. The Vacancy Review did not put that position back in and now people have to go to neighborhood centers to get camping permits, but with cuts comes consequences and I think everyone understands that. That is why it is very difficult, as Councilmember Kagawa said, to go through and just cut everything, because there are consequences to it and a lot of times we can think it is an easy cut, but there are unintended consequences and sometimes it will be a cut that affects service. For us, we want to maintain the service and try to get efficiency, but it does not always end up that way. Also, I think we did a good job of going through the budget. I think everyone worked hard on it. We do know that we have future liabilities, roads and bridges are a big one. I think we just need to realize that it is a “quality of life” issue here. We can only do so much with the budget that we have. I think I have had people wanting more services, more of this, but it costs money to do and people need to realize that. If we want to do more, it is going to cost more. If we want to do less, we might have to scale-down our services and that is just the fact of the matter that there is and that is the balance that we all have to come to grips with here. Ultimately, we passed a budget that did not raid our savings account, reserve fund, or Unassigned Fund Balance. That is a success in itself and I want to thank everyone for their hard work. Again, I just want to thank everyone for all of their hard work: the Administration for already providing a slim budget, which unfortunately for us, we want to be able to cut, but we could only find so many cuts. I think our cuts did total seven hundred thousand dollars (\$700,000), but we did the right thing in funding a liability that was going to be coming up, which were the lifeguard salaries. Even if we did not fund it, it would have come up as a money bill in the future, so I think we did the conservative and responsible thing. It made our cuts look a lot smaller, but it is what it is. We did the responsible thing. I thank Council Services Staff and also the Councilmembers. I think we had a lot of discussion here, but were able to finish all of our meetings on time or early and we also did not use all of the days that were allocated for the budget. So in a sense, we did a good job of running efficient meetings and getting done early, which also saves the County costs because it reduces the amount of staff time, reduces the Administration from having to be here, and reduces our costs on videotaping our meeting. I just want to thank everyone for their hard work. I am glad we are done with the budget. Thank you.

Councilmember Kagawa: I just wanted to announce for the public that the Kaua'i County Council Budget Message for the Fiscal Year 2016-2017 Budget is online, so you can go to the website and read the whole budget message, which is about six (6) pages. Further discussion? Councilmember Yukimura.

Councilmember Yukimura: With respect to which roads are the worst roads, the State has been aggressively repaving their State roads. They do have some really bad sections. I am presuming that they will be addressing it. I want to say that we have a time bomb that is ready to go off. The road to my house, which was repaved maybe about three (3) years ago, has grass in it. So does Molokoa; I have seen roads there. If you go on the County roads, which we do not go on as often, you will see that there are things ready to happen and if we are not able to seal the roads in a timely way with this new technique, they are going to really deteriorate and we will not have a source, unless we are willing to raise our vehicle weight and fuel tax because we will not have the excise tax. We may have some extra TAT money if the Legislature will shake loose, but we may be looking at a real dire situation, which is what I am trying to urge people to look at. I also want to say that the tax that was being proposed was twenty-five cents (\$0.25) for every one hundred dollars (\$100) spent. Yes, it does add up for the small families, but people were willing to pay it for those services. I looked at the testimony that came in and there were fifty-five (55) testimonies from groups and organizations for the excise tax and thirty (30) were against. So I think there is a growing consensus that we are willing to make a small charge to ourselves in order to get those services. Lastly on the salary increases, the Fire Chief's salary was raised to one hundred twenty thousand dollars (\$120,000) from...I do not know what...it was quite a bit below that. The people right under the Fire Chief are making one hundred seventy thousand dollars (\$170,000) a year. That may be more of a statement about collective bargaining, but we could not live with that kind of inversion. We have a Chief Financial Officer who is making just above one hundred dollars (\$100,000) of a corporation with a two hundred million dollar (\$200,000,000)...one hundred ninety million dollar (\$190,000,000) budget. These are not comparable...and a County Engineer...so we did make salary increases where it was urgent and we did not make it where it was not urgent where there were not those inversions. I think we did the responsible thing.

Council Vice Chair Kagawa: Thank you. Councilmember Hooser.

Councilmember Hooser: This is my second time. I thought we were finished with our remarks, but since we are talking again...

Council Vice Chair Kagawa: We all had ten (10) minutes, so go ahead.

Councilmember Hooser: I would like to say clearly that I am not supporting any increase in any general excise tax at all. I think there are other options and some talked about as we move forward we can look at options, but the general excise tax is a regressive tax. It is not something that I will support and it is not something that I believe is in best interest of the County of Kaua'i. With regards to the pay raises, I differ, and again, good people can differ, but I think we can live with inversion and I think we should have lived with inversion, and I did

not support those pay raises. I would like to frankly move on with the conversation since we have already voted on these issues multiple times already. Thank you.

Council Vice Chair Kagawa: Further discussion? Seeing none, roll call.

The motion for adoption of Bill No. 2625, Draft 1, on second and final reading, and that it be transmitted to the Mayor for his approval was then put, and carried by the following vote:

FOR ADOPTION:	Chock, Hooser, Kagawa, Kaneshiro, Kuali'i, Yukimura	TOTAL – 6,
AGAINST ADOPTION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	Rapozo	TOTAL – 1,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Council Vice Chair Kagawa: We will take a ten (10) minute caption break and we will try and wrap it up before lunch.

There being no objections, the meeting recessed at 11:17 a.m.

The meeting reconvened at 11:28 a.m., and proceeded as follows:

Council Vice Chair Kagawa: The meeting is called back to order. Next item, please.

Bill No. 2626, Draft 1 – A BILL FOR AN ORDINANCE RELATING TO CAPITAL IMPROVEMENTS AND FINANCING THEREOF FOR THE FISCAL YEAR JULY 1, 2016 TO JUNE 30, 2017 (*Fiscal Year 2016-2017 CIP Budget*): Councilmember Kaneshiro moved for adoption of Bill No. 2626, Draft 1, on second and final reading, and that it be transmitted to the Mayor for his approval was then put, seconded by Councilmember Kuali'i.

Council Vice Chair Kagawa: Anyone from the public wishing to testify on this? No discussion? If not, I just have one (1) comment that I wanted to make. Recently in the news, they said that they are shutting down Kapahi Bridge. I guess it is a wooden, one-way bridge. I traveled that a few times and some people call it (inaudible) up in that area. They give it that fancy name. There are other bridges that I know that...I do not want to say "falling," but they are in jeopardy. One of them is 'Anini. We have lowered the weight limit. I think the base has sunk a little bit. If that falls, 'Anini will be cut off from access to 'Anini Beach and residents in there. To me, without GET money, does that mean you are going to stop? It is a dire need and that is why we have it available in the fund balance, surplus, or whatever you call it to do emergency work, but I do not think not having a GET means that they are going to stop proceeding with getting that job done, and you are going to look for the federal matching, of course. There is one that looks pretty rotten to me and I think it is 'Opaeka'a Bridge, which is a metal bridge. That bridge up in Wailua Homesteads looks pretty rotten to me. Again, we are just laypeople. They know what is best, but it sure looks like that Hanapēpē Bridge, right? They showed us pictures of that spalling. It seems to me that the work needs to go forward. It should not be, "Well, Council, you did not give us the GET." That is not an excuse not to get those projects ready. There is available money in the fund

balance that can take care of these things. You should go forward with the plans to get the matching and everything. I do not see any reason why we are going to stop when there are emergency things, like I pointed out, that seems to need attention. I hope that is not the stance of the Department of Public Works. Councilmember Yukimura.

Councilmember Yukimura: Vice Chair, I appreciate your comments. The thing is that our Department of Public Works people are not magicians. They cannot do it without money, so if we do not have it in the budget, we take it from our reserves, but then we go down this “slippery slope” of not having the reserves affecting our bond rating, which is why the Chair has been so protective of the reserve, and you know as an accountant yourself, the importance of it. That is why they are not magicians; they cannot do it without money. I think that is why the excise tax is so important.

Council Vice Chair Kagawa: Further discussion? I do not have a response for that. Anyway, let us take a roll call.

The motion for adoption of Bill No. 2626, Draft 1, on second and final reading, and that it be transmitted to the Mayor for his approval was then put, and carried by the following vote:

FOR ADOPTION:	Chock, Hooser, Kagawa, Kaneshiro, Kuali'i, Yukimura	TOTAL – 6,
AGAINST ADOPTION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	Rapoza	TOTAL – 1,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Council Vice Chair Kagawa: Next item, please.

Ms. Fountain-Tanigawa: Chair, on page 5, we have our Executive Sessions. Would you like me to read them all?

Council Vice Chair Kagawa: Yes, please.

EXECUTIVE SESSION:

ES-854 Pursuant to Hawai'i Revised Statutes (HRS) Sections 92-4 and 92-5(a)(4), and Kaua'i County Charter Section 3.07(E), the Office of the County Attorney requests an Executive Session with the Council to provide the Council with a briefing in Diana Gausepohl-White vs. County of Kaua'i, et al., Civil No. 13-1-0360 (Fifth Circuit Court), and related matters. The briefing and consultation involves consideration of the powers, duties, privileges, immunities, and/or liabilities of the Council and the County as they relate to this agenda item.

ES-855 Pursuant to Hawai'i Revised Statutes (HRS) Sections 92-4 and 92-5(a)(4), and Kaua'i County Charter Section 3.07(E), the Office of the County Attorney requests an Executive Session with the Council to provide the Council with a briefing in Diana Gausepohl-White vs. County of Kaua'i, et al., Civil No. 13-1-0360 (Fifth Circuit Court), and related matters. The briefing and

consultation involves consideration of the powers, duties, privileges, immunities, and/or liabilities of the Council and the County as they relate to this agenda item.

ES-856 Pursuant to Hawai'i Revised Statutes (HRS) Sections 92-4 and 92-5(a)(4), and Kaua'i County Charter Section 3.07(e), the Office of the County Attorney requests an Executive Session with the Council to provide the Council with a briefing in Eric Y. Shibuya vs. County of Kaua'i, et al., Civil No. 13-1-0345 (Fifth Circuit Court), and related matters. The briefing and consultation involves consideration of the powers, duties, privileges, immunities, and/or liabilities of the Council and the County as they relate to this agenda item.

ES-857 Pursuant to Hawai'i Revised Statutes (HRS) Sections 92-4 and 92-5(a)(4), and Kaua'i County Charter Section 3.07(e), the Office of the County Attorney requests an Executive Session with the Council to provide the Council with a briefing in State of Hawai'i vs. Irvin Magayanes, Criminal Number CR15-1-0267 (Fifth Circuit Court), and related matters. The briefing and consultation involves consideration of the powers, duties, privileges, immunities, and/or liabilities of the Council and the County as they relate to this agenda item.

Councilmember Chock moved to convene in Executive Session for ES-854, ES-855, ES-856, and ES-857, seconded by Councilmember Kaneshiro, and carried by the following vote:

FOR EXECUTIVE SESSION:	Chock, Hooser, Kagawa, Kaneshiro, Kualii, Yukimura	TOTAL – 6,
AGAINST EXECUTIVE SESSION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	Rapozo	TOTAL – 1,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Council Vice Chair Kagawa: With that, we will go into Executive Session and hopefully we will not take too long.

There being no objections, the meeting recessed at 11:36 a.m.

The meeting reconvened at 12:12 p.m., and proceeded as follows:

Council Vice Chair Kagawa: The meeting is called back to order. Clerk, can you please read us the next item?

Ms. Fountain-Tanigawa: Vice Chair, we are on page 2.

COMMUNICATIONS:

C 2016-132 Communication (05/12/2016) from the County Attorney, requesting authorization to expend funds up to \$25,000.00 for Special Counsel's continued services provided in Diana Gausepohl-White vs. County of Kaua'i, et al., Civil No. 13-1-0360 (Fifth Circuit Court), and related matters: Councilmember Kaneshiro moved to approve C 2016-132, seconded by Councilmember Kualii, and carried by the following vote:

FOR APPROVAL:	Chock, Hooser, Kagawa, Kaneshiro, Kuali'i, Yukimura	TOTAL – 6*,
AGAINST APPROVAL:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	Rapoza	TOTAL – 1,
RECUSED & NOT VOTING:	None	TOTAL – 0.

*(*Pursuant to Rule No. 5(b) of the Rules of the Council of the County of Kaua'i, Councilmember Yukimura was noted as silent, but shall be recorded as an affirmative vote for the motion.)*

C 2016-133 Communication (05/12/2016) from the County Attorney, requesting authorization to expend funds up to \$50,000.00 for Special Counsel's continued services provided in Diana Gausepohl-White vs. County of Kaua'i, et al., Civil No. 13-1-0360 (Fifth Circuit Court), and related matters: Councilmember Kaneshiro moved to approve C 2016-133, seconded by Councilmember Kuali'i, and carried by the following vote:

FOR APPROVAL:	Chock, Hooser, Kagawa, Kaneshiro, Kuali'i, Yukimura	TOTAL – 6,
AGAINST APPROVAL:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	Rapoza	TOTAL – 1,
RECUSED & NOT VOTING:	None	TOTAL – 0.

C 2016-134 Communication (05/12/2016) from the County Attorney, requesting authorization to expend funds up to \$25,000.00 for Special Counsel's continued services provided in Eric Y. Shibuya vs. County of Kaua'i, et al., Civil No. 13-1-0345 (Fifth Circuit Court), and related matters: Councilmember Kaneshiro moved to approve C 2016-134, seconded by Councilmember Kuali'i, and carried by the following vote:

FOR APPROVAL:	Chock, Hooser, Kagawa, Kaneshiro, Kuali'i, Yukimura	TOTAL – 6,
AGAINST APPROVAL:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	Rapoza	TOTAL – 1,
RECUSED & NOT VOTING:	None	TOTAL – 0.

C 2016-135 Communication (05/12/2016) from the County Attorney, requesting authorization to expend funds up to \$42,000.00 for Special Counsel's continued services provided in State of Hawai'i vs. Irvin Magayanes, Criminal Number CR15-1-0267 (Fifth Circuit Court), and related matters: Councilmember Kuali'i moved to approve C 2016-135, seconded by Councilmember Kaneshiro, and carried by the following vote:

FOR APPROVAL:	Chock, Hooser, Kagawa, Kaneshiro, Kuali'i, Yukimura	TOTAL – 6,
AGAINST APPROVAL:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	Rapoza	TOTAL – 1,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Council Vice Chair Kagawa: With no further business, this Council Meeting is adjourned. Thank you.

ADJOURNMENT.

There being no further business, the Council Meeting adjourned at 12:15 p.m.

Respectfully submitted,

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

JADE K. FOUNTAIN-TANIGAWA
County Clerk

:cy

(June 1, 2016)

FLOOR AMENDMENT

Proposed Draft Bill (No. 2634), Relating to Multiple Family Dwelling Units in All Residential Zoning Districts

Introduced by: ARRYL KANESHIRO

Amend Proposed Draft Bill (No. 2634) in its entirety to read as follows:

“SECTION 1. Findings and Purpose. The Council of the County of Kauaʻi finds that there is a shortage of primary dwelling units in the current housing inventory stock for Kauaʻi.

Currently the Comprehensive Zoning Ordinance prohibits the construction of multiple family dwelling units in the Residential Zoning Districts (R-1 through R-6) without a Use Permit. The Use Permit process serves as a deterrent to the construction of multiple family dwelling units.

Through economies of scale, multiple family dwelling units allow for reduced construction cost to density ratios. Additionally, through denser development patterns, multiple family dwelling units provide for a more efficient use of County and State infrastructure.

The primary market for multiple family dwelling units within the residential zoning districts is the local and workforce population, in particular new home buyer families and the elderly population.

To more efficiently provide for Kauai’s housing needs, the County of Kauai should facilitate the construction and development of multiple family dwellings in all residential zoning districts

The purpose of this ordinance is to allow for the construction of [additional rental] multiple family dwelling units in all residential zoning districts.

SECTION 2. Chapter 8 of the Kauaʻi County Code 1987, as amended, is hereby amended by amending Table 8-2.4 Table of Uses, Sections 8-2.4(a)(1) through 8-2.4(f)(19), to read as follows:

[Section 8-2.4 Uses in Districts.

The following table designates allowable uses in the various zoning districts, and whether the specific uses require a Use Permit within the zoning districts permitted.]

“Table 8-2.4 Table of Uses

Sec.	USE	ZONING DISTRICT								
		Residential		RR	Commercial		Industrial		AG	O
		R-1 to R-6	R-10 to R-20		CN	CG	IL	IG		
8-2.4(a)(1)	Single family detached dwellings	P	P							
8-2.4(a)(2)	Accessory structures and uses, including one (1) guest house on a lot or parcel 9,000 square feet or larger	P	P							
[8-2.4(a)(3)]	[Two (2) multiple family dwelling units or two (2) single family	[P]	[P]							

Sec.	USE	ZONING DISTRICT								
		Residential		RR	Commercial		Industrial		AG	O
		R-1 to R-6	R-10 to R-20		CN	CG	IL	IG		
	attached dwelling units upon a parcel of record as of June 30, 1980]									
8-2.4(a)[(4)]3	Notwithstanding subsection (3) above, multiple family and single family attached dwellings developed pursuant to a Federal, State or County housing program	P	P							
8-2.4(b)	Multiple family and single family attached dwellings [are permitted in districts R-10 and R-20 in addition to those types of residential uses and structures permitted under Subsection (a) above]	P	P							
8-2.4(c)	Public and private parks and home businesses are permitted in all districts	P	P							
8-2.4(d)	Adult family boarding and family care homes that comply with all State Department of Social Services and Housing and State Department of Health rules, regulations and requirements provided, however, that the Planning Director may require a use permit for such applications that may create adverse impacts to the health, safety, morals, convenience and welfare of the neighborhood or community that the proposed use is located	P	P							
8-2.4(e)	Transient vacation rentals, provided they are located within the designated Visitor Destination Areas established pursuant to Article 17 of this Chapter. These uses are prohibited in non-VDA areas	P	P							
8-2.4(f)(1)	Botanical and zoological gardens	U	U							
8-2.4(f)(2)	Cemeteries, mortuaries and crematoriums	U	U							
8-2.4(f)(3)	Churches, temples, and monasteries	U	U							
8-2.4(f)(4)	Clubs, lodges and community centers	U	U							
8-2.4(f)(5)	Diversified and specialized agriculture and nurseries	U	U							
8-2.4(f)(6)	Dormitories, guest and boarding houses; but not hotels and motels	U	U							
8-2.4(f)(7)	Golf courses	U	U							
8-2.4(f)(8)	Medical and nursing facilities	U	U							
8-2.4(f)(9)	Museums, libraries and public services and facilities	U	U							
8-2.4(f)(10)	Private and public utilities and facilities, other than maintenance and storage of equipment, materials, and vehicles	U	U							
8-2.4(f)(11)	Project developments in accordance with Article 10 of this Chapter	U	U							
8-2.4(f)(12)	Retail shops and stores	U	U							
8-2.4(f)(13)	School and day care centers	U	U							

Sec.	USE	ZONING DISTRICT								
		Residential		RR	Commercial		Industrial		AG	O
		R-1 to R-6	R-10 to R-20		CN	CG	IL	IG		
8-2.4(f)(14)	Transportation terminals and docks	U	U							
[8-2.4(f)(15)]	[Three (3) or more multiple family dwelling units upon a parcel of record as of June 30, 1980, in the R-1, R-2, R-4, or the R-6 District]	[U]	[P]							
[8-2.4(f)(16)]	[Three (3) or more single family attached dwelling units upon a parcel of record as of June 30, 1980, in the R-1, R-2, R-4 or the R-6 District]	[U]	[P]							
8-2.4(f)[(17)] <u>15</u>	Residential care homes	U	U							
8-2.4(f)[(18)] <u>16</u>	Adult family group living home	U	U							
8-2.4(f)[(19)] <u>17</u>	Any other use or structure which the Planning Director finds to be similar in nature to those listed in this Section and appropriate to the District”	U	U							

SECTION 3. Severability Clause. If any provision of this Article or the application thereof to any person or circumstance, is held invalid, the validity of the remainder of this Article and the application of such provisions to other persons or circumstances shall not be affected thereby.

SECTION 4. Material to be deleted is bracketed. New material is underscored. In printing this ordinance, the brackets, bracketed material, and underscoring need not be included.

SECTION 5. This ordinance shall take effect upon its approval [and shall upon its approval].

(Material to be deleted is bracketed. New material to be added is underscored.)
(V:\AMENDMENTS\2016\FA-Multi-Family Res-PDB No. 2634-PM-AK-lc.doc.docx)